

**REPORT OF THE
JOINT SUBCOMMITTEE STUDYING**

THE VIRGINIA HORSE CENTER

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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**Report of the Joint Subcommittee Studying
The Virginia Horse Center
To
The Governor and the General Assembly of Virginia
Richmond, Virginia
January, 1984**

To: Honorable Charles S. Robb, Governor of Virginia
and
The General Assembly of Virginia

INTRODUCTION

In response to the search for new revenue sources in the Commonwealth, the interest in horse-related activities, and the importance of maintaining the horse industry as an important facet of Virginia's economy, the 1982 General Assembly passed Senate Joint Resolution No. 24 continuing the Joint Subcommittee Studying the Virginia Horse Center. During the course of deliberations this past year, the subcommittee entertained proposals from several communities which enthusiastically support the establishment of a Virginia horse center in their localities. Additionally, the Department of Agriculture and Consumer Services presented information concerning the financing and feasibility of the center for the subcommittee's review.

1983 DELIBERATIONS

The two major questions facing the subcommittee were the location and the cost of the proposed center. Initially, this subcommittee viewed land currently owned by the Commonwealth as the logical choice for the location of such a center. The subcommittee identified state-owned tracts that were adequate. Private sector interest in raising the necessary nonstate funds has not been evidenced from the communities or areas containing these tracts. Tracts of currently state-owned land were not available in the communities wanting the horse center. In consideration of this situation, all interested areas were given the opportunity to present proposals regarding location and support of the center to the subcommittee. Proposals were received from the Committee for a Virginia Equine Center (Augusta County), Clarke County, Rockingham County Fair, Inc. and the Roanoke Valley.

Clarke County representatives stated that there was no consensus of the county residents to actively seek site designation, but they did endorse the overall proposal for creation of a state horse center.

In brief the proposals from the other three entities are as follows:

A. Committee for a Virginia Equine Center (Augusta County).

1. Center to be state owned and operated.
2. Offer of at least 120 acres to a maximum of 160 acres of land to be given fee simple to the Commonwealth.
3. Pledge of \$500,000 toward construction costs.

The proposal represented the interaction of the County of Augusta and the Cities of Staunton and Waynesboro to obtain the land and a private/corporate sector involvement to raise the money toward construction.

B. Rockingham County Fair, Inc.

1. Proposal calls for designation as the Virginia Horse Center. Land and facilities to remain under the ownership of the Rockingham County Fair, Inc. The Commonwealth would be allowed representation on the Board of Directors.

2. 110 acre site with extensive facilities which is currently used as a local fairground. The Rockingham County Fair, Inc., is currently attempting to purchase an additional contiguous 30-40 acre tract.

3. Estimated cost to upgrade facility to level necessary for use as state horse center - minimum of \$2.5 million.

4. Rockingham County Fair, Inc., has obtained a pledge of one million dollars toward construction from Rockingham County predicated on a like donation from City of Harrisonburg.

C. Roanoke Valley Proposal

The organization handling the coordination of this proposal will be the Regional Partnership of Roanoke Valley, Inc., an established tax-exempt, nonprofit corporation whose purpose is to create economic development in the Roanoke Valley.

1. If located on this proposed site, the Virginia Horse Center would be owned and managed by the Commonwealth.

2. 160 acres fee simple to the state.

3. The Regional Partnership will coordinate fund-raising for a minimum of \$500,000, which will be given to the State for site development, construction of facilities and marketing of the Roanoke Valley.

4. The City of Roanoke's 12,000 acre protected watershed is 800 feet from the proposed site. An existing easement can be used for access. This extensive acreage may be used for trail and cross country development. The watershed abuts Jefferson National Forest, opening up extensive additional trail opportunities.

Each of the preceding proposals enjoys the endorsement of the proponents' economic development authorities and chambers of commerce. Each site affords good access through Interstate highways (Augusta on I-64, 4.5 miles from Intersection of I-64 and I-81; Rockingham, on Route 11, between Interchanges with I-81 approximately 2.5 miles from site; Roanoke Valley, on I-81). Each site features an adequate support community.

CONSTRUCTION COSTS

Construction estimates place the cost of construction at \$4,036,438 exclusive of land. This construction estimate was formulated and published by the Department of Agriculture and Consumer Services during the fall of 1982. The estimate was reviewed during October 1983 by Project Management Associates, Inc., a private agribusiness consulting firm, which judged the figure to be a realistic appraisal of the venture.

A facility such as the Virginia Horse Center does not lend itself to stage development. The two highest costs are the indoor arena (\$1,877,715) and the stabling for 500 horses (\$1,011,910). Constructing only one of these leaves the facility useless. Items such as site development, outdoor rings, architecture fees, etc., have to be included in initial outlays.

CONCLUSION

The establishment and subsequent operation of a Virginia Horse Center could potentially contribute to the economic well-being of the Commonwealth. Since the horse industry occupies a very important position within the field of tourism and travel, establishing such a center would appear to be desirable as an attraction in the Commonwealth.

It is the consensus of the subcommittee that it should be continued in 1984 to carefully review and consider the financial issues and proposed locations.

RECOMMENDATIONS

The study completed by the Department of Agriculture and Consumer Services indicates several important factors:

1. A Virginia Horse Center would exert a very positive impact on the state economy. An input exceeding \$20 million through the first four years of operation is projected; however, the Horse Center would not be a large, direct revenue generator in itself. To achieve this, user fees would have to climb to an unrealistic level.

2. A Virginia Horse Center which would be self-supporting after the initial two to four years of operation is only realistic if there is no debt or resulting debt service upon its establishment.

3. The subcommittee feels that the creation of a Virginia Horse Center is predicated on the following:

a. Land at no cost to the Commonwealth, and

b. A significant amount of nonstate dollars to be involved in construction.

4. The subcommittee maintains that the opportunity to study in detail the proposals submitted thus far, as well as the ability to obtain future proposals, is necessary in order to determine the prime location for a Virginia Horse Center and to act in the best interests of all citizens of the Commonwealth.

The subcommittee recommends that the study be continued, that any further location proposals be submitted by May 15, 1984, that the subcommittee visit the proposed site locations, and that the subcommittee's work be completed by June 30, 1984. A resolution to this effect is attached as Appendix A.

Respectfully submitted,

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APPENDIX A

HOUSE JOINT RESOLUTION NO.....

Requesting a continuation of the joint subcommittee of the House Committee on Agriculture and the Senate Committee on Agriculture, Conservation and Natural Resources studying the establishment of a Virginia Horse Center.

WHEREAS, the horse industry is an important facet of Virginia's economy; and

WHEREAS, the raising of horses and horse-related activities are an integral part of Virginia's heritage; and

WHEREAS, the establishment of a statewide center devoted to the staging of horse events would significantly enhance this important segment of Virginia's state character and her economy; and

WHEREAS, a joint subcommittee of the General Assembly has studied this subject and agreed upon the desirability of establishing a Virginia Horse Center; and

WHEREAS, several communities have submitted proposals requesting that the Virginia Horse Center be established in their locality; and

WHEREAS, a careful review of those proposals submitted thus far and an opportunity for more proposals to be submitted would enhance the subcommittee's ability to make an objective recommendation aimed at serving the best interests of all citizens of this Commonwealth; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the joint subcommittee of the House Committee on Agriculture and the Senate Committee on Agriculture, Conservation and Natural Resources studying the establishment of a Virginia Horse Center is continued; and, be it

RESOLVED FURTHER, That the subcommittee will make on-site visits to the locations proposed to obtain more information before making a recommendation; and, be it

RESOLVED FURTHER, That the subcommittee will receive proposals from communities that have not already submitted proposals until May 15, 1984; and, be it

RESOLVED FINALLY, That the subcommittee shall complete its work by June 30, 1984. The subcommittee shall continue to explore the alternatives available to establish and finance such a center, and shall make its recommendations to the 1985 General Assembly.

All direct and indirect costs of this study are estimated to be \$12,660.

